Message Text

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E.O. 11652: GDS

TAGS: MARR, NATO

SUBJECT: NATO INFRASTRUCTURE AUGMENTATION

REFS: A. USNATO 1102, DTG 022746Z MAR 77 B. USNATO 6747, DTG 090816Z DEC 76 C. STATE 255309, DTG 150044Z OCT 76

D. STATE 232443, DTG 190503Z SEP 76

E. USNATO 4574, DTG 191855Z AUG 76

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SUMMARY:

WITH THE RECENT STATEMENT BY DENMARK (REF A) THAT IT WOULD SUPPORT AN AUGMENTATION OF IAU 140 MILLION (\$473M), ALL NATIONS, WITH EXCEPTION OF BELGIUM AND ITALY, NOW SUPPORT A REASONABLE INCREASE IN THE CURRENT IAU 400 MILLION

(\$L.358) FIVE-YEAR (1975-79) CEILING. IN ORDER TO RESOLVE THIS WELL BEFORE MAY DPC MINISTERIAL (MAY 17-18), YOU SHOULD SOLICIT SUPPORT TO OBTAIN EARLY AGREEMENT FOR A REASONABLE INFRASTRUCTURE AUGMENTATION, DRAWING ON INFORMATION PROVIDED BELOW. END OF SUMMARY.

- 1. WE UNDERSTAND BELGIUM IS CONSIDERING THE INFRA-STRUCTURE AUGMENTATION REQUEST TOGETHER WITH SEVERAL OTHER HIGH COST NATO PROGRAMS. ALTHOUGH BELGIUM HAS AGREED TO SHARE IN AN INCREASE, IT HAS NOT COMMITTED ITSELF TO A FIGURE.
- 2. AT THE MARCH 16, 1977 PRIVATE SESSION OF PERMREPS, GOI REP CATALANO REVEALED THAT THE ITALIAN GOVERNMENT HAD MOVED FROM A POSITION FAVORING NO AUGMENTATION TO A POSITION FAVORING AN AUGMENTATION SOMEWHERE BELOW THE IAU 140 MILLION FAVORED BY DENMARK.
- 3. THE US HAS CONSISTENTLY SUPPORTED ALL, OR AS MUCH AS POSSIBLE OF THE AUGMENTATION REQUESTED BY NATO MILITARY COMMANDERS, INCLUDING THE US SPECIAL PROGRAM. THIS REQUEST, INCLUDING CONTINGENCIES, TOTALS IAU 286 MILLION (\$976M). UNDER THE NATO SYSTEM, IT IS NOT POSSIBLE TO AGREE TO A FIGURE HIGHER THAN THE LOWEST ACCEPTABLE TO ALL. AN AUGMENTATION IN THE ORDER OF THAT PROPOSED BY DENMARK -- AIU 140 MILLION -- WOULD PERMIT CONTINUATION OF THE PROGRAM FOR THE REMAINDER OF THE FIVE-YEAR PERIOD AT APPROXIMATELY THE CURRENT RATE. AS AN ABSOLUTE MINIMUM, WE SHOULD SEEK AGREEMENT AT THAT LEVEL.

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- 4. REFS D AND E PROVIDE DETAILED JUSTIFICATION FOR THE AUGMENTATION. THESE ARE STILL CURRENT, AND YOU SHOULD USE POINTS INCLUDED IN THEM, EMPHASIZING THE FOLLOWING:
- A. WITHOUT ADDITIONAL FUNDS, NATO WILL NOT BE ABLE TO COMPLETE PLANS FOR A MODERN SURVIVABLE COMMAND, CONTROL AND COMMUNICATIONS SYSTEM.
- B. NATO WILL NOT BE ABLE TO ADEQUATELY PROTECT ITS NUCLEAR FACILITIES.
- C. NATO WILL NOT BE ABLE TO MAKE ESSENTIAL IMPROVEMENTS IN THE POSTURE OF CONVENTIONAL FORCES.
- D. THE PRESENT SLOW RATE OF IMPLEMENTING OUR AIRCRAFT SHELTER PROGRAM WILL BE FURTHER RETARDED.
- E. FORCE PLANS APPROVED BY THE DPC WILL NOT BE

CARRIED OUT FOR LACK OF FUNDS BEFORE 1980 OR LATER -- OR NOT AT ALL.

- F. INVESTMENTS IN FORCE MODERNIZATION WILL BE INEFFECTIVE UNLESS NATO PROVIDES FACILITIES AND COMMON SYSTEMS TO SUPPORT THEM.
- G. THE AUGMENTATION WILL ALLOW FOR FUNDING OF ADDITIONAL NATO PROJECTS, INCLUDING THOSE HAVING A DIRECT BENEFIT TO BELGIUM AND ITALY.
- 5. EMBASSY ROME MAY WANT TO REMIND MOD ITALY THAT OVER THE YEARS, ITALY HAS DRAWN SUBSTANTIALLY MORE FROM INFRASTRUCTURE THAN IT HAS CONTRIBUTED (ALMOST TWICE AS MUCH).
- 6. IF OTHERS RAISE INCLUSION OF US SPECIAL PROGRAM (USSP) IN THE AUGMENTATION, YOU SHOULD DRAW ON THE FOLLOWING: CONFIDENTIAL

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- A. USSP HAS NO CONNECTION WITH OFFSET OR BURDEN-SHARING.
- B. IT IS PART OF THE CURRENT FIVE-YEAR (1975-79)
 NATIONAL COST SHARING AGREEMENT, AS RECOMMENDED BY OUR
 ALLIES AND ACCEPTED BY THE US.
- C. AT THE TIME, THE US FAVORED, AND WE STILL FAVOR AN ARRANGEMENT WHEREBY OUR OFFICIAL AND EFFECTIVE COST SHARES ARE THE SAME -- APPROXIMATELY 20 PERCENT.
- D. THE USSP IS THE AGREED METHOD TO ACHIEVE THAT GOAL BY INDIRECT MEANS.
- E. ANY ATTEMPT TO ELIMINATE USSP FROM THE AUGMENTATION PROGRAM WILL REOPEN THE ENTIRE PROBLEM OF NATIONAL COST SHARES WHICH THE USSP WAS DESIGNED TO RESOLVE.
- F. FURTHER BACKGROUND ON THE USSP IS CONTAINED IN REF C. THE ABOVE ARGUMENTS SHOULD BE USED ONLY IF THE QUESTION OF INCLUSION OF USSP IS REAISED BY OTHERS; YOU SHOULD NOT RAISE IT, SINCE SECDEF STATEMENT AT DECEMBER 1976 MINISTERIAL (REF B) MADE US POSITION ABUNDANTLY CLEAR.
- 7. EMBASSIES SHOULD MAKE DEMARCHE AT HIGHEST APPROPRIATE LEVEL WITH OBJECT OF OBTAINING SUPPORT FOR A CEILING OF IAU 286 MILLION, BUT NOT LESS THAN IAU 140 MILLION. WHICH WE CONSIDER THE ABSOLUTE MINIMUM.

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Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

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